



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Adopt a resolution authorizing the purchase of an additional 20,000 feet of #1/0 medium-voltage ethylene propylene rubber(EPR)-insulated underground conductor from the July 20 low bidder, The Okonite Company, San Ramon, CA (\$32,109.50) (EUD)

MEETING DATE: August 17, 2005

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: That the City Council adopt a resolution awarding the purchase of an additional 20,000 feet of #1/0 medium-voltage concentric-neutral EPR-insulated underground electrical cable to the low bidder on July 20, 2005, The Okonite Company, San Ramon, CA, in the amount of \$32,109.50.

BACKGROUND INFORMATION: On July 6, 2005, the City Council approved specifications and authorized advertisement for bids for 20,000 feet of this conductor.

Bids were received, and opened on July 20, 2005 (please see Exhibit A for bid results)

On August 3, 2005, the City Council awarded this bid to The Okonite Company (Resolution 2005-151). Subsequent to the July 20 bid opening, additional work orders were issued to the extent that total current requirements (26,000 feet) now exceed the 20,000-foot order quantity authorized in the prior resolution.

To cover those additional needs as well as anticipated near-future requirements, staff recommends purchasing an additional 20,000 feet of #1/0 conductor. This conductor is a standard component in Lodi's electric system, and has the potential for long delivery lead times. The Okonite Company has agreed to hold the July 20 bid price for this additional quantity. Such a purchase would benefit the City in two ways. First, it would provide price protection against escalating metals prices (copper and aluminum prices increased 3% and 2.2% respectively between July 20 and August 5, and 10% and 6% respectively between July 5 and August 5). Second, the purchase would assure the delivery of the additional conductor by mid-September, providing inventory for the City to respond quickly to developers' needs.

FISCAL IMPACT: Cost of this purchase: \$32,109.50
Present costs recovered by future sales of electrical power.

FUNDING: Electric Utility Department 2005-2006 Financial Plan and Budget,
Line Extensions, Business Unit 161651


James R. Krueger, Finance Director


Alan N Vallow, Electric Utility Director

Prepared by Joel Harris, Purchasing Officer
cc: Manager, EUD Engineering and Operations

APPROVED: 
Blair King, City Manager

EXHIBIT A

August 17, 2005

#1/0 medium-voltage EPR-insulated underground conductor
Bids opened July 20, 2005

The Okonite Company, San Ramon, CA	\$32,109.50
Pirelli Power Cables, Lexington, SC	\$32,518.95
The Kerite Company, Seymour, CT	\$38,143.50 ^{1,2}
The Kerite Company, Seymour, CT	\$41,785.45 ¹
Western States Electric, Portland, OR (Kerite Cables)	\$39,350.30 ^{1,2}
Western States Electric, Portland, OR (Kerite Cables)	\$40,212.30 ²
Western States Electric, Portland, OR (Kerite Cables)	\$43,056.90 ¹
Western States Electric, Portland, OR (Kerite Cables)	\$43,875.80

Notes: 1. Quoted prices are subject to escalation based on metals prices at the time of shipment.

2. Conductor offered is "non-filled" (meaning a compound used to fill the voids between the wire strands, to prevent water propagation through the conductor, has not been added), and therefore does not meet City's specifications.

RESOLUTION NO. 2005-160

A RESOLUTION OF THE LODI CITY COUNCIL AWARDING THE
PURCHASE OF AN ADDITIONAL 20,000 FEET OF #1/0 MEDIUM-
VOLTAGE ETHYLENE PROPYLENE RUBBER INSULATED
UNDERGROUND CONDUCTOR

WHEREAS, in answer to notice duly published in accordance with law and the order of this City Council, sealed bids were received and publicly opened on July 20, 2005, at 11:00 a.m., for the purchase of 20,000 feet of #1/0 medium-voltage concentric-neutral ethylene propylene rubber insulated underground cable, described in the specifications therefore approved by the City Council on July 6, 2005; and

WHEREAS, said bids have been compared, checked, and tabulated and a report thereof filed with the City Manager as follows:

The Okonite Company, San Ramon, CA	\$32,109.50
Pirelli Power Cables, Lexington, SC	\$32,518.95
The Kerite Company, Seymour, CT	\$38,143.50 ^{1,2}
The Kerite Company, Seymour, CT	\$41,785.45 ¹
Western States Electric, Portland, OR (Kerite Cables)	\$39,350.30 ^{1,2}
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Notes: 1. Quoted prices are subject to escalation based on metals prices at the time of shipment.
2. Conductor offered is "non-filled" (meaning a compound used to fill the voids between the wire strands, to prevent water propagation through the conductor, has not been added) and, therefore, does not meet City's specifications.

WHEREAS, on August 3, 2005, the City Council awarded this bid to the low bidder, The Okonite Company, of San Ramon, CA, in the total amount of \$32,109.50 through adoption of Resolution No. 2005-151; and

WHEREAS, subsequent to the July 20 bid opening, additional work orders were issued to the extent that total current requirements now exceed the order quantity authorized in the Resolution; and

WHEREAS, to cover the additional needs, as well as anticipated near-future requirements, staff recommends purchasing an additional 20,000 feet of #1/0 conductor from The Okonite Company pursuant to the July 20, 2005, bid price for the additional amount.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby authorizes the purchase of an additional 20,000 feet of #1/0 medium-voltage concentric-neutral ethylene propylene rubber insulated underground conductor from The Okonite Company, of San Ramon, CA, in the total amount of \$32,109.50.

Dated: August 17, 2005

I hereby certify that Resolution No. 2005-160 was passed and adopted by the City Council of the City of Lodi in a regular meeting held August 17, 2005, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Hitchcock, Johnson, Mounce, and Mayor Beckman
NOES: COUNCIL MEMBERS – None
ABSENT: COUNCIL MEMBERS – None
ABSTAIN: COUNCIL MEMBERS – None



SUSAN J. BLACKSTON
City Clerk